

# Exhibit C

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
 )  
Petition of ACS of Anchorage, Inc. Pursuant to )  
Section 10 of the Communications Act of 1934, as ) WC Docket No. 05-281  
Amended, for Forbearance from Sections 251(c)(3) )  
And 252(d)(1) in the Anchorage LEC Study Area )

**STATEMENT OF DAVID C. EISENBERG**

1. I am Senior Vice President – Corporate Strategy & Development for Alaska Communications Systems, the parent of ACS of Anchorage, Inc. (“ACS”). I am responsible for strategic planning, business development, marketing and product management, program management, regulatory and legislative strategy and corporate communications. Prior to joining Alaska Communications Systems, I served as Vice President – Corporate Strategy for Sprint Corporation, where I held numerous management positions over my 21-year career.

2. In general, ACS offers its local exchange and exchange access services using “postalized” rates throughout the study area. The Regulatory Commission of Alaska (“RCA”) approves local exchange tariffs which provide uniform rates for a customer class (i.e., residential or business) within a study area. ACS does not make any product offer distinction by wire center, location, or any other geographically-delimited area.

3. Because ACS employs study-area-wide pricing, ACS would charge all similarly situated customers in the market the same rates for the same service whether or not GCI is able to serve all of these customers. To my knowledge, GCI also markets its services and rates in Anchorage on a consistent basis throughout the study area. GCI’s advertised rates place

additional competitive pressure on ACS to offer similar services and rates to all customers in the study area. Thus, even if GCI is unwilling or unable to serve a customer, that customer still realizes the benefits of price competition resulting from GCI's significant presence in the study area.

4. If forbearance is granted, ACS will still be subject to the full panoply of substantive RCA regulation. The RCA's recent rule enactment has resulted in declaring ACS a non-dominant carrier for retail local services.<sup>1</sup> However, this does not significantly alter the RCA's ultimate authority over ACS's rates. The only aspect of the historical regulatory regime that will change is that new or revised retail tariff offers will be introduced to the market almost immediately. Current statutory standards, such as the requirement for "just and reasonable rates," and prohibitions against "unreasonable preferences," will continue to apply to ACS's rates, terms, and practices. The RCA will continue to have jurisdiction to suspend ACS's rates, conduct investigations, and order refunds. Upon concluding a formal docket, the RCA can modify ACS's rates and other terms, or require ACS to withdraw them. Furthermore, a large group of intrastate retail services are excepted from these new state regulations. For example, special access services, among the most competitive services in the Anchorage market, are not at all affected by the new regulations and remain subject to dominant carrier rules. Therefore, there are certain services for which ACS will continue to be treated as dominant.

5. GCI's narrow product market definitions do not reflect the manner in which local exchange services are marketed and sold to customers in the Anchorage study area. GCI argues that residential customers in buildings housing multiple dwelling units ("MDUs") should be

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<sup>1</sup> R-03-3, Order No. 16 issued by the Regulatory Commission of Alaska on August 5, 2005 and U-05-55, Order No. 3 issued by the Regulatory Commission of Alaska on February 22, 2006.

treated as a separate market for purposes of the Commission's UNE forbearance analysis. GCI also argues that enterprise customers in Anchorage should be divided into a small enterprise market and a medium/large enterprise market. Although there are a range of products for both residential and enterprise customers, almost all local offerings in Anchorage are served over DS0 capacity lines. There are relatively few enterprises that require even DS1 capacity, and indeed we know of **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** ordering DS3 capacity from ACS.

6. ACS does not offer products or services that are tailored to end-users in MDUs. These customers are offered the same services and pricing as other mass market customers in the study area. Therefore, from a marketing perspective, there is no separate MDU product market.

7. Although ACS offers enterprise customers a range of products tailored to the varying needs of these customers, ACS makes available the same services and rates to all enterprise customers regardless of their geographic location within the study area. The same options for DS0, DS1, and other high-capacity services are available to all similarly situated enterprise customers throughout the Anchorage study area regardless of whether or not GCI serves the customer location. Enterprise customers typically have specific capacity needs but do not require a particular technology. As such, ACS and GCI both have multiple ways to provide service to these customers.

8. The enterprise customer market is smaller in size and depth than most non-rural markets in the United States, and thus, the range of products that enterprise customers in Anchorage demand is relatively narrow. For instance, there **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** in Anchorage currently purchasing DS3 capacity from ACS. The vast majority of enterprise customers in Anchorage typically order four or fewer access lines, and a

relatively small number order service at the DS1 level. However, ACS faces substantial local exchange competition from GCI in the enterprise market. GCI has pursued an aggressive marketing campaign aimed at enterprise customers since its entry into the Anchorage market in 1997. GCI offers a range of service options to enterprise customers throughout Anchorage similar to that which ACS offers.

9. As part of its pricing and marketing strategy for local exchange services and bundles, ACS considers the prices and capabilities of wireless and Internet offerings as potential substitutes. The prices for and capabilities of these services impose competitive pressures on the pricing of exchange access service as well. For example, commercial wireless radio service (“CMRS”) providers Dobson Cellular (operating under the Cell One brand name), GCI (reselling Dobson service and a majority owner of Alaska DigiTel), and ACS Wireless all compete with ACS throughout the study area for bundled local and long-distance services. In addition, local voice service in Anchorage is available through Voice-over-Internet-Protocol (“VoIP”) providers such as AT&T CallVantage and Vonage. VoIP providers offer their service over broadband technology, which is available through several providers in Anchorage, such as GCI, and which is priced competitively to wireline phone service.

10. In Anchorage, broadband service is offered by ACS and GCI, as well as a number of wireless providers. Clearwire, AT&T, and others offer fixed wireless broadband service in Anchorage, over which voice services can be provided. Any customer with a dedicated broadband Internet connection may purchase VoIP service from an independent VoIP provider. In addition, the broadband provider itself can offer VoIP service.

Respectfully submitted,

/s/ David C. Eisenberg

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